



HAWAII!

THE ISLANDS OF ALOHA

2004 First Quarter Marketing Update

Presented by:
The Hawai'i Visitors and Convention Bureau
May 12, 2004

Branding

HTA

HVCB

HVCB
Island Chapters

Industry
Partners

Point of Sale

Domestic visitor arrivals best March on record

Tourism figures up for March

Tourism expects banner year

By **Kelly Yamanouchi**
Advertiser Staff Writer

Predictions that 2004 would be a strong year for Hawai'i tourism have proved accurate so far. The state's No. 1 industry is recovering nicely from the past three years of tumult, thanks to a turn in Japan's long-suffering economy and the continuing strong allure of the Islands among Mainland travelers.

Many in the tourism industry just hope that no international catastrophe will get in the way of this recovery.

PACIFIC BUSINESS NEWS

Hawaii hotel occupancy leads U.S.

Prabha Natarajan

Hawaii led the nation with 80.1 percent hotel occupancy for the first quarter of this year, toppling incumbent New York, according to reports from the national firm Smith Travel Research LLC and the local firm Hospitality Advisors LLC.



Visitors pack hotels

State occupancy levels
hit 80.9% last quarter
to lead the nation

By **Allison Schaefer**
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Hawaii's visitor industry rebounded dramatically during the first quarter to lead the nation in hotel occupancy, and experts have forecast a positive economic outlook for summer.

Driven by record-breaking visitor arrivals and a rebounding Japanese market, occupancy at Hawaii hotels increased 5.6 percent statewide to finish the quarter with an 80.9 percent rate, outperforming hotels in the nation's top 25 markets, according to the latest data from PKF Hawaii.

The year started with a statewide increase of 3.7 percent in January from the same period a year ago. In February, occupancy increased 5.8

percent over February 2003 — the highest result for any month since February 2001. Occupancy performance for March continued the trend, rising 7.9 percent to 82.4.

"The months of February and March, historically, are the first peak in the visitor-industry cycle. Such a substantial increase provides an optimistic outlook for the coming months," said Daisy Ito, PKF Hawaii director of tourism.

All islands posted year-over-year quarterly increases. Kauai, with a 13.7 percent increase in occupancy, led the state with the strongest performance over the first quarter of 2003, while Molokai followed with a 9.4 percent gain. The Big Island registered a 5.9 percent increase and Maui showed a 5.7 percent increase. Oahu followed with a gain of 4.4 percent.

Hotel average daily room rates also rose 2.6 percent during the first quarter, a result of significant increases for all islands. The Big Island

March occupancy rates

BY ISLAND	Percent of rooms occupied	Change from March 2003
Oahu	80.2%	+11.5%
Maui	83.0%	+5.9%
Kauai	81.8%	+12.8%
Big Island	77.5%	+8.7%
Statewide	80.7%	+9.6%

Source: Hospitality Advisors STAR-BULLETIN

posted an 8.1 percent increase; Molokai prices rose by 5.3 percent; Kauai by 4.1 percent; Oahu by 3.6 percent; and Maui by 2.6 percent.

Hotel executives said they expect continued good news in the months ahead.

"We'll see continued strength moving into summer," said David Carey, president and chief executive officer

March occupancy rates

BY ISLAND	Percent of rooms occupied	Change from March 2003
Oahu	82.9%	+8.5%
Maui	85.1%	+5.7%
Kauai	81.5%	+13.5%
Molokai	68.5%	+16.1%
Big Island	78.6%	+7.8%
Statewide	82.4%	+7.9%

Source: PKF Hawaii LLP STAR-BULLETIN

of Outrigger Enterprises Inc. "I see bookings are softer than we would have liked, but it's getting stronger."

Improved economic conditions and the perception that Hawaii is a safe place to visit may drive Americans — who put off travel last year — to satisfy their pent-up vacation plans with a trip to paradise, he said.

Tourism recovery continues

State visitor arrivals rose 6.5 percent in March compared with last year

By **Dan Martin**
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March visitor arrivals climbed further out of the hole caused by last year's SARS epidemic and fears over the Iraq invasion, with both Japanese and U.S. travelers converging on the islands in greater numbers compared to March 2003.

The Department of Business, Economic Development & Tourism said the state hosted 576,087 visitors last month, an increase of 6.5 percent over last year. The numbers were bolstered by 410,000 visitors from the U.S. mainland, which DBEDT called the best March on record for that segment.

Hawaii visitor count

MARCH FIGURES

	Number of visitors	Change from Jan. 2003
Domestic	410,482	+6.4%
International	165,605	+6.6%
Total	576,087	+6.5%

BY ISLAND

Oahu	363,080	+9.8%
Kauai	83,045	-1.5%
Maui	188,332	-2.9%
Molokai	6,947	-19.0%
Lanai	7,220	-31.6%
Big Island	107,263	+1.2%

Source: Department of Business, Economic Development & Tourism

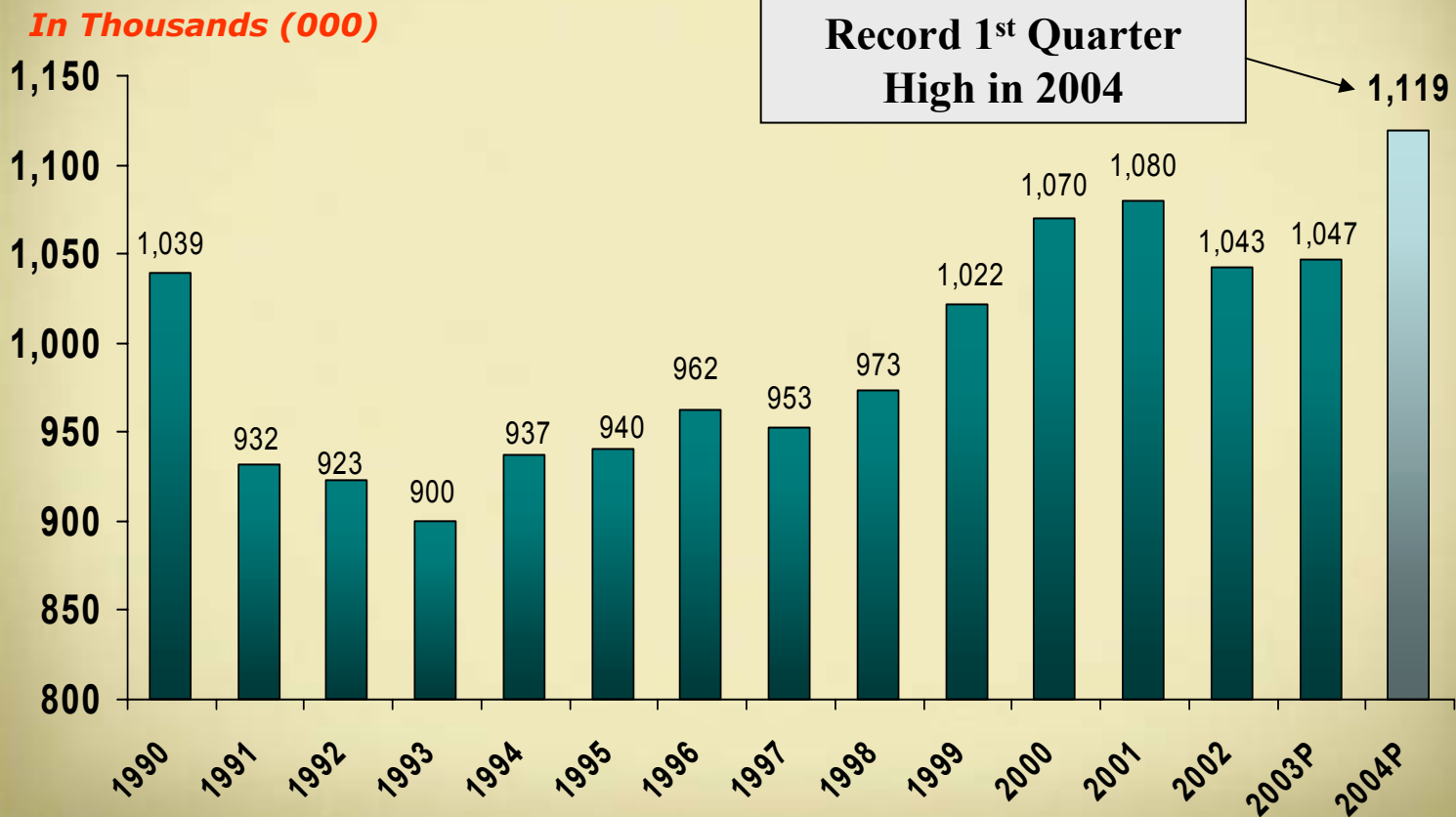
STAR-BULLETIN

Marsha Weinert, the state's tourism liaison, said the growth in domestic arrivals was fueled in part by an increase in meetings, conventions and incentive travel compared to the previous year, citing a Coors Brewing Co. convention and an international dental conference.

Also contributing to the stronger

1st Quarter Domestic Visitor Arrivals

To Hawai'i 1990-2004(p)

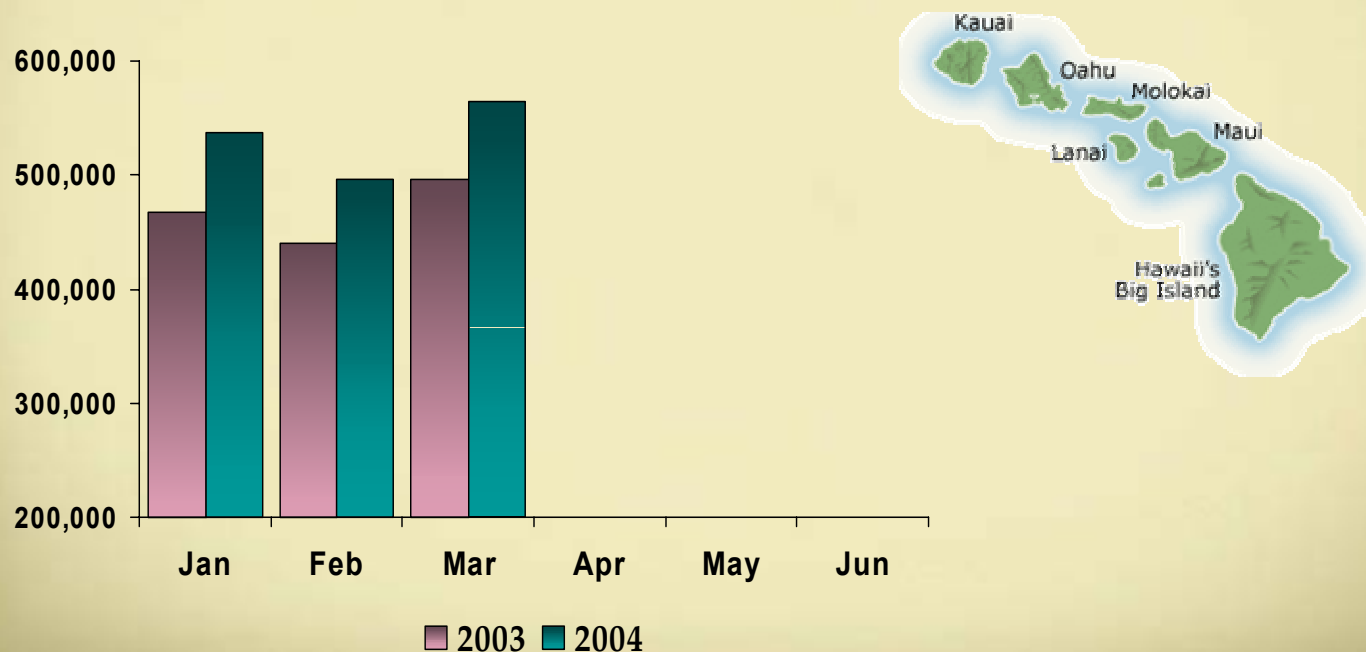


Source: HVCB Market Trends analysis based on historic DBEDT data

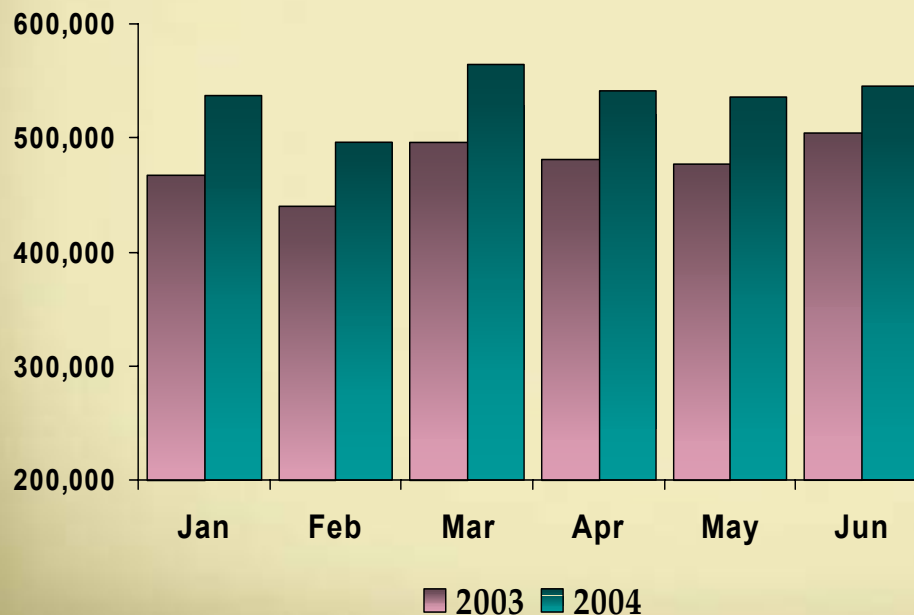
Major Carriers Add New & Increased Air Service

Airline	Departing	Arriving	Status
ATA	San Francisco	Honolulu	November, Increase
Continental	Houston	Kahului	Started June 2003
Delta	Cincinnati	Honolulu	Started Nov 2003
Hawaiian	Seattle	Honolulu	March, increase
Northwest	Minneapolis	Honolulu	Dec 2003, increase
Northwest	Seattle	Kahului	Dec 2003, new
United	Chicago	Honolulu	June, re-launch

Scheduled Domestic Air Seat Capacity to Hawai'i rose 14% in the 1st Quarter...



...and Further Growth (+11%) is Expected in the 2nd Quarter





Strategic Approach

Key Marketing Strategies

- **Target** active, higher-spending visitors
- **Increase** promotional presence
- **Stimulate** demand during shoulder periods
- **Promote** Hawai'i as a preferred destination for business tourism on a global basis

2004 Campaign

- Research Based
 - Natural Beauty
 - Diversity of Experiences
 - The People of Hawai'i

Key Communications Elements



- Television
- Travel and Lifestyle Publications
- E-marketing
- Publicity and Promotions
- Travel Trade/Wholesaler Programs



Visitors and Convention Bureau

2004 Campaign



HAWAII VISITORS AND CONVENTION BUREAU

Sharing Aloha

Sharing Aloha Communications Plan

prepared by
Hawai'i Visitors and Conventions
2004



American Idol

- ❖ National Phenomenon
- ❖ HVCB negotiated to host auditions
- ❖ 31 million viewers for the audition show alone
- ❖ Hawai'i presence continues
- ❖ \$23,000 total investment by HVCB
 - *Typical cost, \$700,000 for 30-seconds*



American Idol

HAWAII ARTS

SEASON 2004

HAWAII ARTS

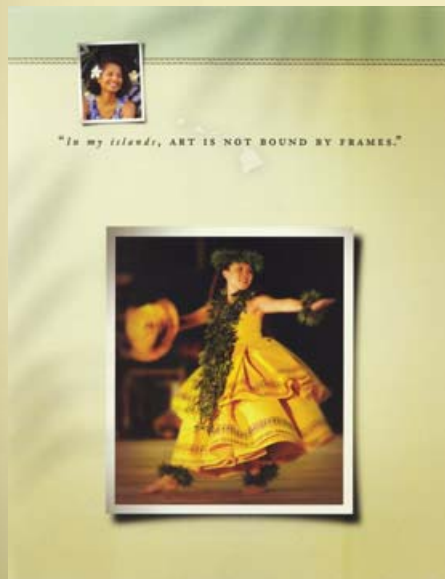
S E A S O N 2 0 0 4

- ▶ *HTA Product Development Initiative*
- ▶ *HVCB Focused on **Building Awareness and Intent***

HAWAII ARTS

S E A S O N 2 0 0 4

Coordinated Multi-media Campaign



- ❖ *Travel Trade*
- ❖ *Television*
- ❖ *Print*
- ❖ *E-Marketing*
- ❖ *Cooperative*
- ❖ *Public Relations*
 - ✓ *Satellite Media Tour*
 - ✓ *National Writer Relations*

HAWAII ARTS

S E A S O N 2 0 0 4



The Ultimate Global Gathering Place

Corporate Meetings and Incentives

Corporate Meetings & Incentives

Results January-March 2004

First Quarter Visitor Arrivals

	<u>2004P</u>	<u>2003P</u>	<u>% Change</u>
CMI (net)	158,981	145,666	9.1%
Conventions	99,913	87,743	13.9%
Corporate Meetings	29,943	29,084	3.0%
Incentives	36,309	34,566	5.0%

Corporate Meetings & Incentives

Expenditures Per Visitor *Visitors from U.S. West and U.S. East*

(\$PPPD)	<u>US West</u>	<u>US East</u>
Average Visitor	\$141.91	\$162.99
CMI Visitor	\$174.98	\$201.23
% Difference	23.3%	23.5%

Source: DBEDT 2002 statistics

Corporate Meetings & Incentives

Marketing Direction

- Strategies
 - Brand Hawai'i as a business destination – Hawai'i is an excellent place for corporate meetings and incentives
 - Expand and broaden sales efforts through collaborative partnerships
 - Increase “Top of Mind” awareness for Hawai'i

Corporate Meetings & Incentives

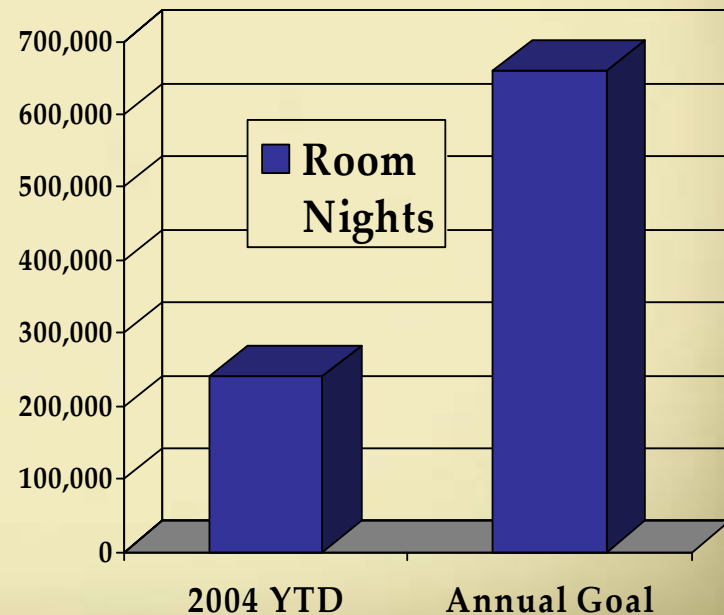
What We Do

- Sales & Marketing Team for all Islands
- Generate leads/lead room nights
- Create additional business opportunities for ancillary product and services companies in Hawai'i
- One-stop shopping for CMI groups
- Destination specialists
- CMI Services

Corporate Meetings & Incentives

Results January-March 2004

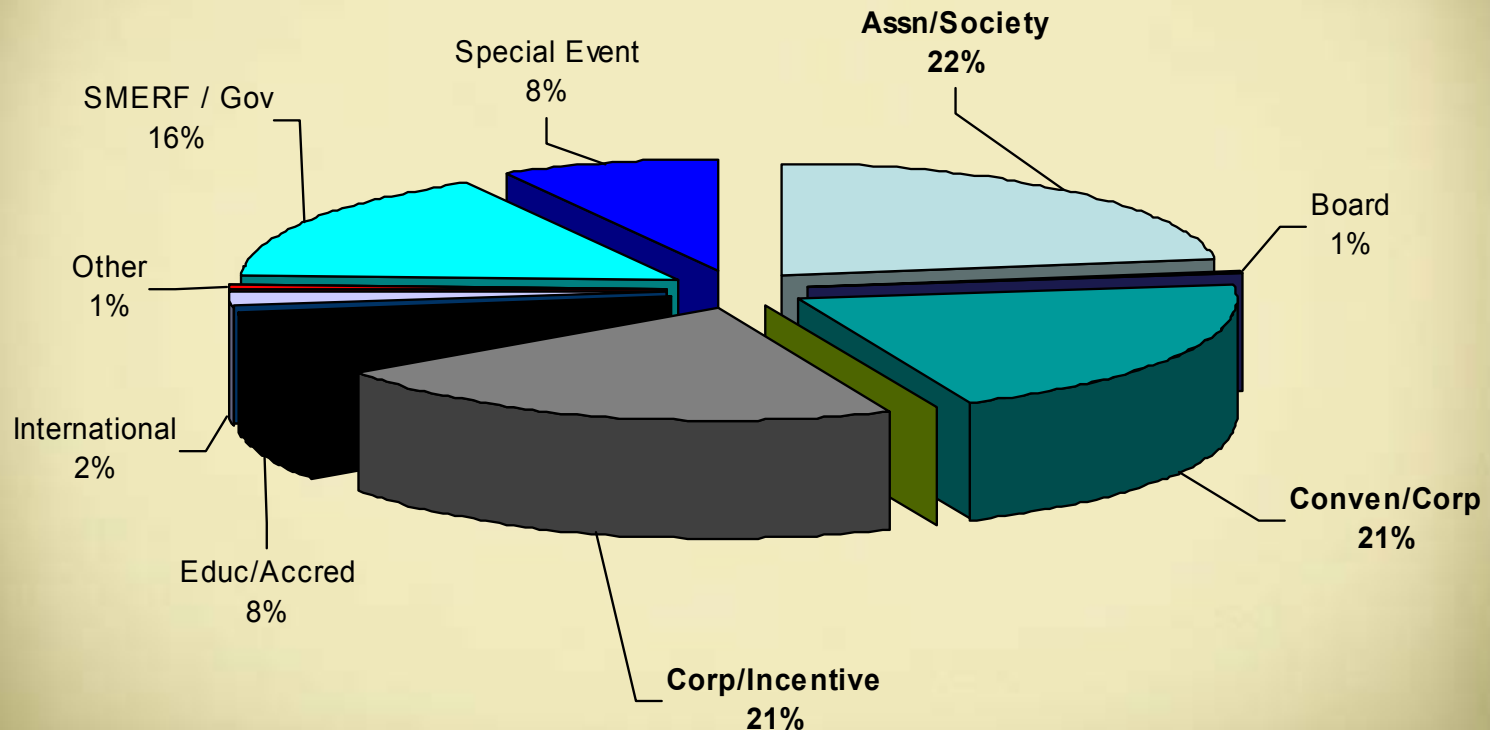
*Lead/Lead Room Night Production
1st Quarter Actual vs. Annual Goals*



Corporate Meetings & Incentives

Lead Meeting Types Statewide

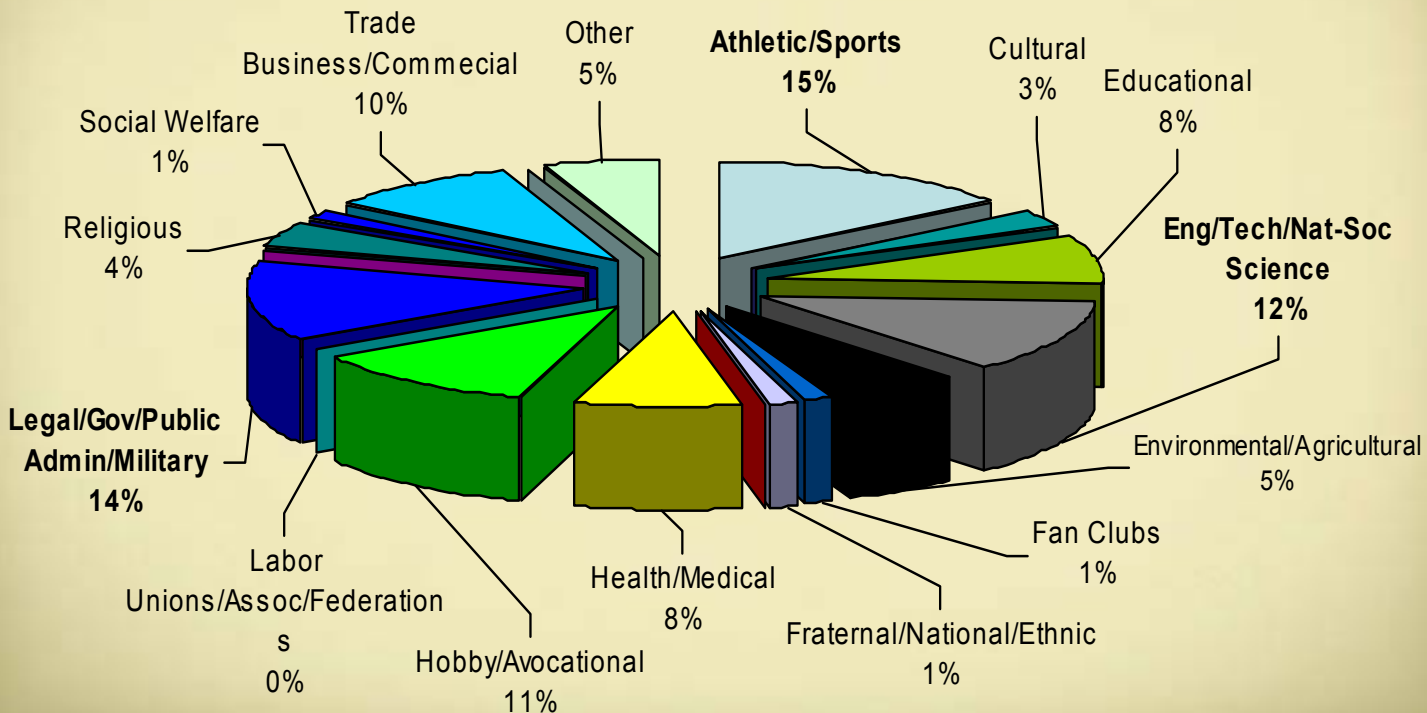
(January – March 2004)



Corporate Meetings & Incentives

Lead Association Sub-Meeting Types Statewide

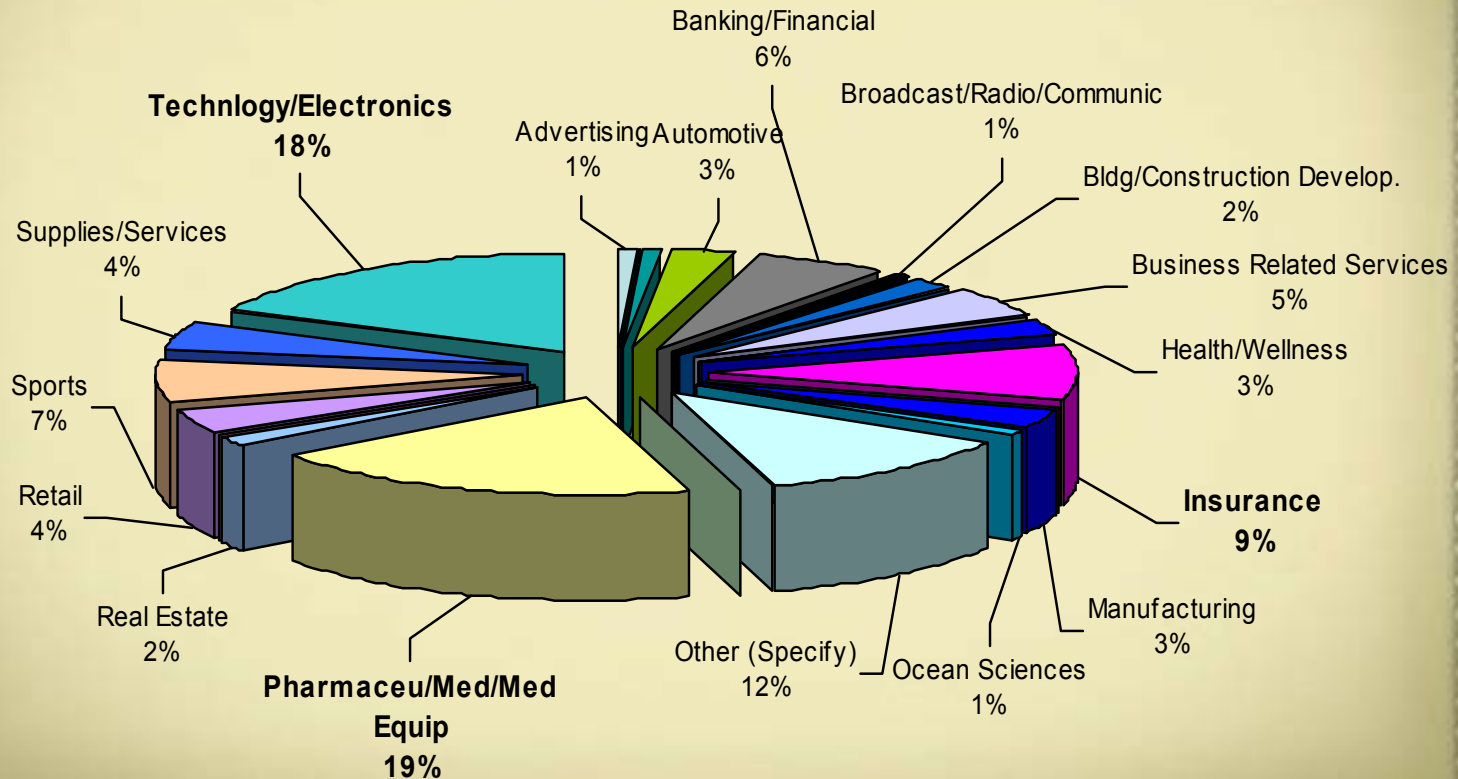
(January - March 2004)



Corporate Meetings & Incentives

Lead Corporate Sub-Meeting Types Statewide

(January – March 2004)



Corporate Meetings & Incentives

Marketing Programs and Tactics

- **Sales & Marketing Team**
 - Direct sales team
 - Expanded Team (Island Chapter, Hawai'i Convention Center, international marketing groups)
 - Industry partners (hotels, DMCs, airlines, attractions, etc.)

Corporate Meetings & Incentives

Marketing Programs and Tactics

- **Client Targeting**

- ❖ *Geographic and distribution channel targets:*

- **North America**

- Business type: Corporate Meetings; Incentives; Product launches; National/Regional, International Association meetings
 - Distribution Channels; Corporate/Assoc. planners; Incentive Houses; 3rd Party Providers

- **International Markets**

- Business Type: Corporate Meetings; Incentives; Product launches; Multi-level marketing; National, Regional, International Association Meetings
 - Distribution Channels; Traditional leisure sellers (wholesalers and direct from Corporate planners)

Corporate Meetings & Incentives

Marketing Programs and Tactics

- **Dominate Meetings Trade Marketing and Business Development**
 - Advertising
 - Public Relations
 - Trade Shows
 - Client Promotions and Targeted Sales
 - Educational Familiarization (Fam) Tours

Corporate Meetings & Incentives

Marketing Programs and Tactics

- **Internet Marketing**
 - MeetHawaii.com
 - E-Newsletters
 - Flash Campaigns
- **CMI Services**



The Ultimate Global Gathering Place

Corporate Meetings and Incentives

Come Experience Aloha!

*Integrated Promotion for the
Fall Shoulder Season*

Come Experience Aloha!

Strategy:

Uniqueness and Diversity of Experiences

Come Experience Aloha!

Target Audience:



Travel Media

Travel Trade

Marketing Partners

Consumers

Come Experience Aloha!

June	August	September	Shoulder Season
Travel Agents	Aloha Live!	National Cable TV	<i>Come Experience!</i>
		4-page Magazine Inserts	
		Magazine Co-op	
Travel Media		E-marketing	
		Wholesaler Co-op	

NCL/HVCB Travel Mart



Come Experience Aloha!

Travel Mart

- ❖ Norwegian Cruise Line
- ❖ HVCB and Island Chapters
- ❖ 100 Travel Media and 1,000 Travel Agents

Come Experience Aloha!

Travel Mart

- ❖ Activities and Attractions Association of Hawai'i
- ❖ Hawai'i Wellness Tourism Association
- ❖ Native Hawaiian Hospitality Association
- ❖ Hawai'i Museums Association
- ❖ Hawai'i Agritourism

Come Experience Aloha!



Come Experience Aloha!



Come Experience Aloha!

Aloha Live!

- ❖ 20 Markets with direct air service
- ❖ Music Marketing Promotion to affect Shoulder Season Travel
- ❖ Supported with advertising, promotions, publicity
- ❖ Marketing partner participation opportunities
- ❖ Cost-effective partnership

Come Experience Aloha!

September Media Promotion

- ❖ National Cable Television Advertising
- ❖ 4-Page Consumer Magazine Insert
- ❖ E-marketing; Newsletters, Ads, and Content
- ❖ Cooperative Sunday Travel Section Newspaper

Come Experience Aloha!

September Media Promotion

Golf Marketing



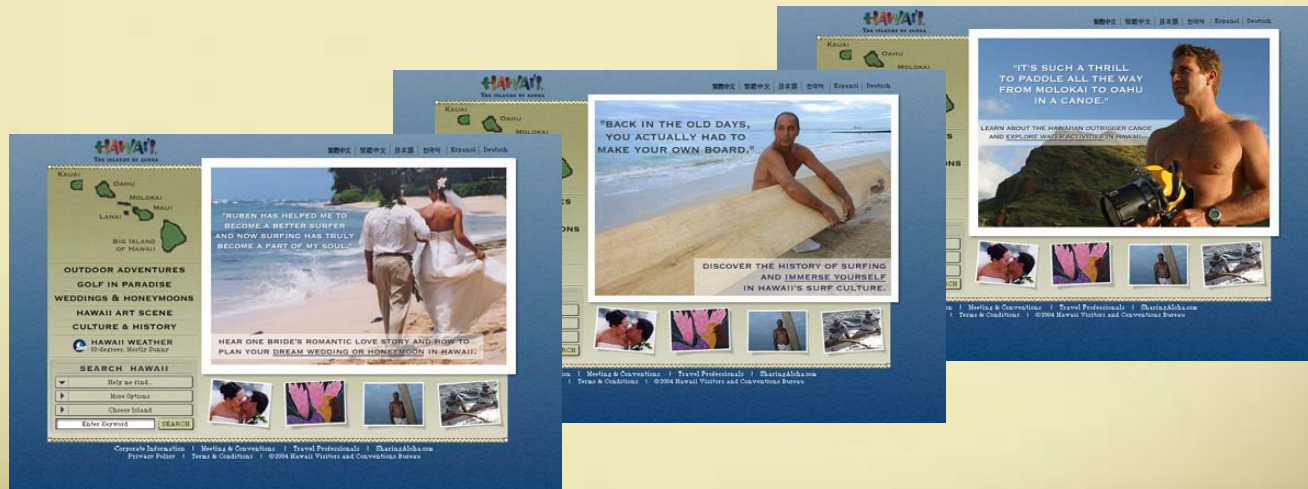
Golf Marketing

- ❖ Create image of Hawai'i as a Golf Mecca
- ❖ Leverage Hawai'i's Golf Assets
- ❖ Desirable Target Audience



gohawaii.com

- ❖ Traffic Hub
- ❖ Coming This Summer



gohawaii.com

Aloha & Mahalo

